
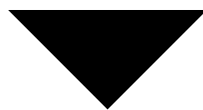


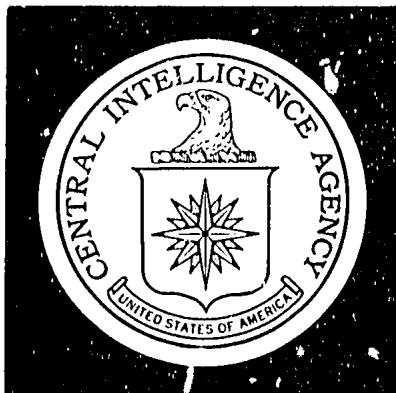
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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

Land Reform in South Vietnam

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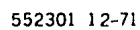
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LAND REFORM IN SOUTH VIETNAM





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The Vietnamese have always been a nation of rice farmers. As such, they have always had a compelling desire to own their land. The Communists have been willing to cater to this desire. Their success in this direction probably accounts for their popular support in Vietnam as much as any other single issue, except perhaps anti-foreign nationalism. Over the past several years, however, the Communists have largely lost the initiative on the land issue. The Saigon government has given its blessing to much of the land redistribution carried out earlier by the Communists and has launched a land reform program of its own.

The Saigon government's performance in land reform was for many years an in-and-out thing, and many observers familiar with Vietnam's history approach the subject with healthy skepticism. Nevertheless, measured by its past effort on land reform, the steps taken by Saigon since the Tet offensive in 1968 mark an impressive beginning in turning the tables on the Communists on the land issue. Barring a sustained upturn in the war, there appears to be a good chance that over the long term the substantial obstacles to effective land reform—landlord resistance, official corruption, and shortcomings in the government's will and administrative capabilities—can be overcome. Once the program is completed, more people would have a tangible stake in the non-Communist system. This would in turn enhance the Thieu regime's prospects for survival.

Back and Forth on the Land Question

In the early years of the Communist insurgency in Vietnam, the Communist Viet Minh vigorously pressed a land reform program. The result was a radical redistribution of land in much of the countryside, both in the North and the South. After the 1954 partition, the Diem regime in the South took initiatives to continue land reform, expropriating a number of large French and Vietnamese estates and passing laws to reduce some of the worst abuses associated with tenancy. During the late 50s, Diem was trying zealously to track down Communist sympathizers left in the South, and the pressures of this campaign were exploited by many dispossessed landlords to force people who had been given land by the Viet Minh to give it back to former owners. When the Viet Cong renewed the insurgency effort around 1960, they were able to once again seize on the land issue and begin a new round of land reform in the

South. For the next five years, non-Communist South Vietnamese were on the defensive, barely managing to hold the country together. As the war moved from one crisis to another, there were many concerns that seemed much more pressing than land reform.

A methodical campaign began in 1965 in which allied forces slowly pushed out from the cities into Viet Cong dominated rural areas. The demands of the war effort were immediate and pressing, and no effective land reform program was pursued during the next two years. When allied troops moved in to "pacify" a district, they often were followed by former landlords run off by the Viet Cong. These landlords, were often able to reassert their rights over the land. This kind of pacification was "fragile and subject to quick reversal." The return of the landlords was, in fact, deeply resented by many peasants who had to relinquish land yet another time. This

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resentment was exploited by the Viet Cong and generated further support for the insurgent movement.

Not until after the 1967 national elections and the massive Communist offensives of 1968 did a new interest and emphasis on land reform begin to take real hold in South Vietnam. Both President Thieu and Vice President Ky developed a genuine appreciation of the importance of effective land reform to the over-all war effort. US advisers involved in the effort report that Thieu himself began to provide much of the initiative in developing an effective program. In January 1968, just days before the Tet Offensive, Thieu made a major address on land reform. He acknowledged that little progress had been made; he went on to promise that his administration would give the issue highest priority. By September, the pressure of the Communist offensives had eased, and the government began to push an accelerated pacification campaign. Thieu first issued an executive order putting an end to the earlier practice—established in the 1965-67 period—of landlords returning with the troops to regain control over their land. Farmers who had been assigned land by the Communists were assured that they could keep the land or would be given an equivalent land grant by the government. In the spring of 1969 the presidential decree was made more explicit by a nationwide land rent and occupancy freeze. This was intended to stabilize land occupancy in the countryside pending further legislation on the land problem. And that summer, the government finally resumed, after years of delay, distribution to the public of some of the large estates seized by Diem. Experiments also were made with the use of aerial photography to resurvey the country's ricelands.

The Land to the Tiller Bill: The Theory

President Thieu's land reform bill made its way through the National Assembly in late 1969 and early 1970 at a slow pace. The problem was not so much landlord resistance since most of the biggest estates had already been broken up by the

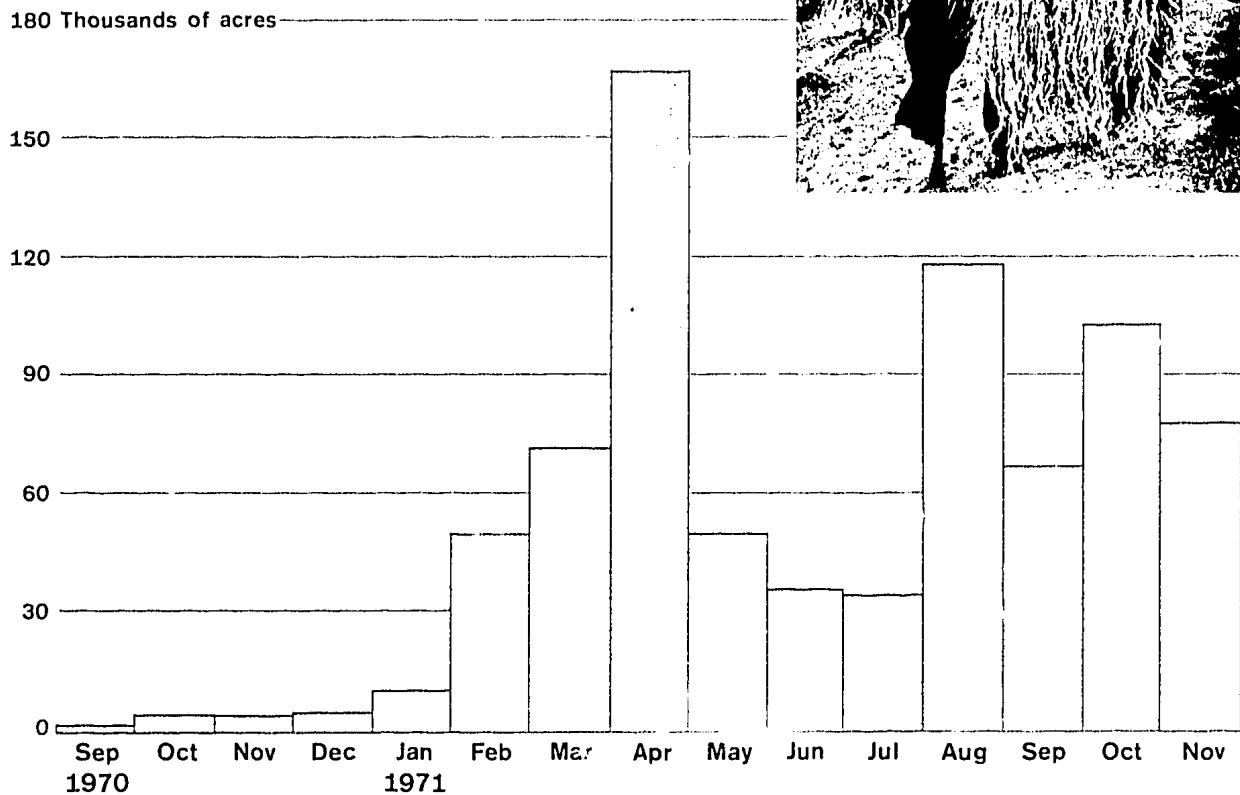
Communists and the Diem government or abandoned in the turmoil of war. The big problem was that the bill was caught in a cross-fire between the assembly and the executive at a time when Thieu was under almost constant fire. At the end, there was no significant opposition to the "Land to the Tiller" bill, as it was finally approved on 26 March 1970, a day now celebrated as Farmer's Day. The bill, revolutionary in concept, provides for free distribution to the tenants who actually work the land of virtually all privately owned rice land not being cultivated directly by the owner. In return, the government is obligated to compensate former landlords. Owners of rice land may keep only what they actually cultivate themselves, up to a limit of 37.5 acres. Although the law did not specify that tenant-farmers would no longer pay rent, all land not actually worked by the owner was officially expropriated when the law was promulgated. In effect, the owner no longer owned the land and therefore did not have the right to collect rent. While all of this has been well publicized, many tenant farmers have not yet taken advantage of the law—a substantial number are continuing to pay rent and probably will do so until they have actually received title to their lands.

The Vietnamese have always been a nation of rice farmers, and they have a compelling desire to own their land.

If fully implemented, the Land to the Tiller program would distribute free more than two-and-a-half million acres of riceland (about half of the total rice acreage) to about 500,000 farmers. This would reduce tenancy from some 70 percent to near zero. In the delta, landless farmers can obtain seven-and-one-half acres; in the central lowlands, the limit is two-and-one-half acres. It is estimated that up to 78,000 landowners could eventually receive government payments for expropriated land. US land reform advisers believe

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**Monthly Totals of Riceland Acreage
Distributed to Farmers
Under the "Land to the Tiller" Program
(Sep 1970-Nov 1971)**



Program Goals

- Distribute about 2.5 million acres to some 500,000 farmers.
- Compensate up to 78,000 landowners by early 1973.

Accomplishments Through November

- More than 1.15 million acres have been distributed so far to about 200,000 farmers.
- Compensation of landlords is lagging badly.

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the program, if successful, would by early 1973 directly or indirectly benefit a majority of the rural population of South Vietnam.

The Practice

Land to the Tiller is still some distance from full implementation, but some important aspects of the program have made considerable headway. Through November 1971, more than a million acres of tenanted riceland—nearly half the program's final goal—have been approved by local village committees for distribution to former tenant farmers. This aspect of the program is about on schedule. The most important events in the land reform process, however, occur when the former tenant actually receives his title and when the former landlord receives his compensation—20 percent in cash and the remainder in bonds falling due over an eight year period. Through November, more than 200,000 farmers had received their new titles. This is only slightly behind schedule. Compensation, however, is lagging badly. Only a few thousand owners have received their first payments from the government so far. There is little sign that the payments problem will be remedied soon. Money for the payments is going to be increasingly scarce in the government's budget in time to come. Satisfying the peasants by distributing the land is the critical feature of the program, but paying off the landlords is also an important element in building and retaining government credibility. The lagging payments have already generated considerable criticism from the landlords and a drop in faith in the program.

In Dinh Tuong and Kien Hoa provinces, two rich rice growing areas in the Mekong Delta, US advisers have general praise for the land reform program, but in both cases the advisers warn of the consequence of the serious lag in payments to landlords. The senior adviser in Dinh Tuong reported during the summer that some 600 applications for payment had been sent to Saigon, but only about 30 had received any money. He noted that many landlords were muttering that Presi-



Thieu Handing Out Land Titles to Peasants

dent Thieu had failed to follow through. The American adviser in Kien Hoa made a similar report, noting that more than a thousand titles were distributed to farmers in July alone, but that landlord payments were lagging badly and could have a potentially crippling impact on the program in the province.

The Economic Consequences

The economic consequences of the land reform program are less significant than its political and military implications. The reform apparently has not had a direct impact on rice production. The rice crop has been increasing markedly during the past two years, but this is better explained by the greater use of new, higher yield rice strains and the reclamation of abandoned land than by the reform program.

Land reform has reinforced the pattern of small farming units and has inhibited the large-scale introduction of labor-saving equipment; however, at this stage in the country's economic development, there is no urgent need to conserve manpower. Indeed, there is some concern that a labor surplus could develop if the war winds down and some South Vietnamese forces are

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demobilized. Over the near term the increased support for the government brought about by the land reform program will doubtless outweigh any possible economic disadvantage.

Land Reform in the Mountains

Concurrently with the Land to the Tiller program, a separate land reform program has begun that aims at guaranteeing to the montagnard hill tribes in the central highlands rights over the public lands they have traditionally tilled. The program faces formidable obstacles. Many tribes are nomadic and feel that they have a claim to vast stretches of the highlands. And the Communist threat complicates the picture. Unlike most rice growing areas where a degree of security has been established in recent years, security in much of the highlands remains tenuous, adversely affecting administration. Additionally, over the longer term, the ethnic Vietnamese themselves covet much of the montagnard land for its timber and other resources. The capacity of the tribes to defend their own interests is strictly limited.

The ability of the Communists to cater to the basic desire for land probably accounts for their popular support in Vietnam as much as any other single issue except perhaps anti-foreign nationalism.

Popular Reaction

The poorest classes in South Vietnam have, of course, been pleased to receive clear titles to the small plots they have been renting or were allotted to them in Communist-run land reform. Although it is hard to discriminate, farmers in the delta seem to have reacted in a way that means a rise, in the last 18 months, of genuine popular support for Thieu in areas of the delta. Surprisingly, some of the former large landowners, who were dispossessed and driven off their holdings by the Communists, also have welcomed the govern-

ment program because it offers hope they can receive payment for their land, which otherwise would have been a complete loss.

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A few fairly large landowners, who have been more successful in retaining control over their holdings, are doing everything they can to sabotage Land to the Tiller.

They cause their lands to be classified as ancestral worship or burial grounds; they persuade distant relatives to accept "ownership" of parts of their estate; they bribe land reform officials; they intimidate tenants who are then afraid to stop paying rent or to apply for titles.

_____ Vietnamese who have worked hard to buy medium-sized farms are also unhappy about losing any of their land.

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Land Reform and the Future 25X1

Final results will be, of course, a matter of history. The program may or may not be administered well in this or that area of the country. This is especially true in the northern provinces where more land is held communally and where good land is a scarce resource. It is clear that the program has had only a modest impact, from the government's standpoint, in the northern provinces. The largest part of the land distributed thus far has been in the delta where the impact has been greater.

There are serious questions as to where the money will come from to pay former landlords as the program moves along, and the entrenched interests who are against land reform still have the ability to sabotage the program at least partially.

Despite these problems, the land reform program as it has unfolded has already increased support for President Thieu and his government simply because it has improved the lot of a considerable number of farmers and their families while being flexible enough to accommodate the

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few remaining large landowners whose backing the President deems politically vital. If the level of the fighting does not increase markedly in the populated areas, with a consequent substantial drop in rural security, and if the government

follows through strongly on the land reform program, it has a potential for making an even greater contribution to the political stability and advancement of South Vietnam.

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